

INTRODUCED _____
PUBLIC HEARING _____
COUNCIL ACTION _____
EXEC. ACTION _____
EFFECTIVE DATE _____

County Council Of Howard County, Maryland

2008 Legislative Session

Legislative Day No. 5

Bill No. 29-2008

Introduced by: The Chairperson at the request of the County Executive

AN ACT to authorize and empower Howard County, Maryland, to borrow up to \$13,950,000 on its full faith and credit, and issue and sell its bonds therefor, to be used to pay costs of certain County education capital projects, as more particularly described in the County's 2009 Capital Budget (including, without limitation, borrowings for one of such capital projects previously authorized in 2004) , and to pay costs of issuance of such bonds; authorizing and empowering the County to issue bond anticipation notes or to enter into installment purchase agreements for payment of portions of such costs; and to levy taxes upon the assessable property within the County sufficient, together with school facilities surcharges and other available funds, to pay the debt service on such obligations; and providing for and determining various matters in connection therewith.

Introduced and read first time _____, 2008. Ordered posted and hearing scheduled.

By order _____
Sheila M. Tolliver, Administrator

Having been posted and notice of time & place of hearing & title of Bill having been published according to Charter, the Bill was read for a second time at a public hearing on _____, 2008.

By order _____
Sheila M. Tolliver, Administrator

This Bill was read the third time on _____, 2008 and Passed ____, Passed with amendments _____, Failed _____.

By order _____
Sheila M. Tolliver, Administrator

Sealed with the County Seal and presented to the County Executive for approval this __ day of _____, 2008 at ____ a.m./p.m.

By order _____
Sheila M. Tolliver, Administrator

Approved by the County Executive _____, 2008

Ken Ulman, County Executive

NOTE: [[text in brackets]] indicates deletions from existing law; TEXT IN ALL CAPITALS indicates additions to existing law; Strike-out indicates material deleted by amendment; Underlining indicates material added by amendment.

1 **Recitals**

2 In accordance with the provisions of Section 603 of the Charter of Howard County, the County
3 Executive has submitted a proposed Capital Budget for fiscal year 2009 to the County Council, and, prior to
4 the passage of this Act, the County Council has adopted a Capital Budget for the fiscal year ending June 30,
5 2009.

6 As a part of the Capital Budget for the fiscal year ending June 30, 2009, it is necessary that Howard
7 County, Maryland borrow a sum not exceeding \$13,950,000, to be used for certain education capital
8 specified in the County's Capital Budget for the fiscal year ending June 30, 2009, which capital projects are
9 more particularly described in Appendix A to this bond enabling law, and for payment of costs of issuance
10 of any obligations issued to evidence such borrowing. Of such amount, the borrowing of \$1,800,000 for one
11 of such projects (as indicated in Appendix A hereto in the column captioned "Amount to be Borrowed
12 (Reauthorizations)") ("Reauthorizations") was authorized by the County during calendar year 2004, but such
13 authorization is expected to expire prior to the completion of such projects and/or the sale of bonds to
14 provide permanent financing therefor. Accordingly, it is necessary that such borrowing be reauthorized.

15 **Now therefore, in accordance with the provisions of Article VI of the Charter of Howard**
16 **County:**

17 **Section 1. Be it enacted by the County Council of Howard County, Maryland,** That Howard
18 County, Maryland (the "County"), is hereby authorized and empowered to borrow on its full faith and credit,
19 and issue and sell its bonds therefor, at one time or from time to time, an amount not exceeding
20 \$13,950,000, the proceeds thereof to be used for the education capital projects (each, a "Project") as more
21 particularly specified and described in Appendix A hereto and in the County's Capital Budget for the fiscal
22 year ending June 30, 2009; including for the Project, without limitation, the cost of planning, design,
23 construction, reconstruction, furnishing, equipping, improvements, renovations, remodeling, enlargements,
24 engineering services, architects services, surveys, landscaping, site development, evaluation studies, land
25 acquisition and related items, appurtenances and incidental activities. Projects, and the amount to be
26 borrowed for each, as more specifically identified and described in Appendix A hereto.

1 Proceeds of any bonds authorized by this Act may also be used to pay costs of issuance of such
2 bonds.

3 **Section 2. And be it further enacted by the County Council of Howard County, Maryland,**

4 That, pursuant to and in accordance with Article 31, Section 12 of the Annotated Code of Maryland, as
5 amended, the County is also authorized to issue bond anticipation notes in anticipation of the issuance of the
6 bonds authorized by this Act and described in Section 1 hereof, and all references to "bonds" or
7 "obligations" shall include such bond anticipation notes, unless the context clearly requires a contrary
8 meaning. It is intended that the aggregate principal amount of issued and outstanding bond anticipation
9 notes when added to the aggregate principal amount of issued and outstanding bonds in anticipation of
10 which such notes were issued, shall not exceed the aggregate principal amount set forth in Section 1 of this
11 Act at any time. The County will agree in each ordinance described in Section 4 of this Act relating to any
12 notes issued pursuant to this Act to pay such notes and the interest and premium, if any, thereon from the
13 proceeds of the bonds in anticipation of the sale of which such notes are issued, and the County will agree to
14 issue such bonds when, and as soon as, the reason for deferring their issuance no longer exists.

15 **Section 3. And be it further enacted by the County Council of Howard County, Maryland,**

16 That, in connection with the acquisition of real property as part of a Project, the County may incur all or any
17 portion of the indebtedness authorized by this Act for such acquisition by entering into an installment
18 purchase agreement pursuant to and in accordance with Section 4.201A of the Howard County Code
19 ("Section 4.201A") or any successor provisions of law in lieu of issuing bonds for such acquisition. The
20 principal amount of any such installment purchase agreement shall not exceed the lesser of (a) the maximum
21 principal amount permitted by Section 4.201A or (b) the portion of the amount to be borrowed for such
22 Project (as set forth in Section 1 hereof) which relates to such acquisition. All references to "bonds" or
23 "obligations" in this Act shall include such installment purchase agreements, unless the context clearly
24 requires a contrary meaning.

25 **Section 4. And be it further enacted by the County Council of Howard County, Maryland,**

26 That the County Council of Howard County, by an ordinance or ordinances adopted from time to time in

1 accordance with Article VI of the Charter of Howard County and other applicable provisions of law, shall
2 provide for (a) the issuance and sale of, (b) the maximum principal amount, designation, form, tenor and
3 denomination or denominations of, (c) the dates of the first maturity (not more than two years after the date
4 of issue) and the last maturity (not more than 25 years after the date of issue) of, and (d) the interest rate or
5 rates per annum (or the method of determining such rate or rates) payable on, any bonds or other obligations
6 issued from time to time under this Act; and may by any such ordinance, or by separate resolution, provide
7 that the issue of bonds or other obligations hereby authorized be consolidated with one or more other issues.

8 **Section 5. And be it further enacted by the County Council of Howard County, Maryland,**

9 That for the purpose of paying the principal of and interest on such bonds or other obligations as the same
10 shall become payable, the County Council of Howard County shall levy annually ad valorem taxes upon the
11 assessable property in Howard County sufficient, together with school facilities surcharges and other
12 available funds, to pay the principal of and interest on such bonds or other obligations until all of such bonds
13 or other obligations shall mature and be redeemed.

14 **Section 6. And be it further enacted by the County Council of Howard County, Maryland,**

15 That any bonds or other obligations issued from time to time under this Act are specifically exempt from the
16 provisions of Article 31, Sections 9, 10 and 11 of the Annotated Code of Maryland, as amended, and any
17 successor provision of law.

18 **Section 7. And be it further enacted by the County Council of Howard County, Maryland,**

19 That all bonds or other obligations authorized hereby shall be issued within four years from the date this Act
20 becomes effective. Notwithstanding the foregoing, if bond anticipation notes are issued within such period
21 in accordance with Section 2 hereof, the bonds authorized hereby may be issued until the final maturity of
22 such notes.

23 **Section 8. And be it further enacted by the County Council of Howard County, Maryland,**

24 That the County anticipates that a portion of some or all of the costs of some or all of the Projects may be
25 paid prior to the issuance of the bonds or other obligations authorized hereby. The amount of such costs so
26 paid will depend on various factors, including, without limitation, the timing and speed of progress on the

1 Projects, the availability of other funds to pay such costs on an interim basis, bond and money market
2 conditions and compliance with federal and State laws and regulations.

3 Accordingly, the County reasonably expects to reimburse costs of the Projects (as described herein)
4 with proceeds of the bonds or other obligations authorized hereby, such bonds or other obligations to be
5 issued by the County in the maximum principal amount of \$13,950,000.

6 **Section 9. And be it further enacted by the County Council of Howard County, Maryland,**

7 That this Act shall take effect sixty-one (61) days after its enactment.

School System Projects

Project Description	Amount to be Borrowed (New Authorizations)	Amount to be Borrowed (Reauthorizations)
E0975 FY2002 NEW NORTHERN HIGH SCHOOL A new high school in the Northern area of the County.		\$1,800,000
E0980 FY2004 SYSTEMIC RENOVATIONS Improvements and installation of systemic renovations at various schools.	\$2,550,000	
E0991 FY2005 FULL-DAY KINDERGARTEN Phase IV, for school year 2007-2008, will include 13 kindergarten classrooms (individual CR's) with additions and 4 classrooms with conversions/renovations.	4,000,000	
E0993 FY2004 RELOCATABLE CLASSROOMS PROGRAM This request will provide funds for the relocation of existing portable classrooms to be placed at schools in need of additional capacity in August 2008.	1,100,000	
E0994 FY2004 ROOFING PROGRAM Reroofing for various schools including old roof removal, new flashing and drains, and new roofing material.	4,500,000	
TOTAL NEW AUTHORIZATIONS/REAUTHORIZATIONS	<u>\$12,150,000</u>	<u>\$1,800,000</u>
TOTAL AMOUNT TO BE BORROWED:		<u>\$13,950,000</u>